Utah Department of Workforce Services





August 2002, Volume 12, Number 7

Current Indicators

Utah's unemployment rate for June continued inching downward, registering 4.7 percent. There has been a noticeable decrease in people filing for unemployment insurance the last several months. Utah is also seeing a noticeable decline in large layoff activity. The Utah economy is probably at its inflection point. However, it may take several more months before we see hiring activity improve. Approximately 53,600 Utahns were unemployed in June 2002, a 16.6-percent increase from the 45,950 in June 2001, when the rate was 4.1 percent.

Utah's other primary indicator of current labor market conditions, the year-over change in the number of nonfarm wage and salaried jobs, remains negative. The number of Utah jobs is down 1.6 percent year-over, or 17,300, for June 2002 — a preliminary measurement. May's measurement has been revised upward from its preliminary -1.5 percent, now registering -1.4 percent.

For the United States, the June 2002 unemployment rate was essentially unchanged for the second month in a row. The number of persons unemployed was 8.4 million and the unemployment rate stands at 5.9 percent. Both measures, however, were higher in the second quarter of this year than in the first quarter. U.S. nonfarm employment remains in negative territory. For June 2002, year-over, nonfarm employment is down by 1.1 percent.

In Utah, the economy is still not showing signs of a turnaround, although it could only be a matter of months. Manufacturing, construction, trade, and transportation/communications/utilities (T.C.U.) have all lost jobs. Services, the state's largest employment sector, is showing growth of 0.8 percent, but this isn't enough to counter the losses and lift the economy out of its malaise. Without significant job growth during the second half of 2002, Utah will end 2002 as the first year since 1964 with a decline in jobs.

Industry-by-Industry

Manufacturing continues as one of the most glaring job-loss industries. Over 7,600 fewer year-over jobs are recorded here, a decline of 6.0 percent. Nationally, this industry has been experiencing strong leading economic indicators for the past several months, showing nascent signs of a turnaround. But there is plenty of room with underutilized capacity and underutilized hours worked for the existing resources to absorb the initial rebound. In other words, don't look for employment expansion to begin anytime soon. There's plenty of room to more efficiently utilize existing workers.

Construction continues showing employment levels well below last year's, and this will continue throughout 2002. A year ago this industry employed 73,400 workers. Currently, it employs around 66,400 — that's 7,000 fewer workers. As with manufacturing, no turnaround of this trend is expected this year.

The decline in the industry conglomeration of transportation/communications/utilities (T.C.U.) deepened, falling by 2,400 jobs since last June, or –4.0 percent. Fewer trucking jobs, fewer communications workers, fewer utilities workers. Fortunately, air transportation employment is up, countering the national trend seen in this industry.

The trade industry employs around 247,500 Utahns, marking it as the second largest employment sector behind services. But it has fewer year-over employment also — down 4,900 workers, or -1.9 percent. Slight improvements at auto dealerships and gas stations won't counter losses in grocery stores, department stores, home and garden stores, and wholesale trade establishments.

Although a weak economy strains the budgets needed to pay for government services, societal needs don't subside — and in bad economic environments, often

increase. Thus, government employment is expanding. Even so, state government employment remains flat. The greatest government increases comes within local jurisdictions at the education level, a constant growth engine in Utah.

Services is Utah's largest employment sector with around 318,900 workers. Fortunately, this is about 2,700 more workers than a year ago. In recent history, this industry has been such a powerful job creator that it has been able to counter losses seen in other industries — in most cases, losses in *many* other industries. But it currently isn't generating job growth to that degree. The hi-tech sector provided much of this industry's past high-growth performance, but that has completely shut down — actually it's reversed into noticeable job losses. But gains in health care, personal services, recreation, private education, and engineering and management services are all combining to keep services on a positive growth note.

Salt Lake-Ogden MSA

The Salt Lake-Ogden metro area's economy is also suffering employment declines, but it's 1.3 percent contraction is less severe than the statewide 1.6 percent. It has the same problem areas of construction, manufacturing, trade, T.C.U.and F.I.R.E. A lethargic services sector isn't providing growth leadership we have come to expect in the past. It's positive, but tepid, and not powerful enough to counter losses against many other sectors.

Provo-Orem MSA

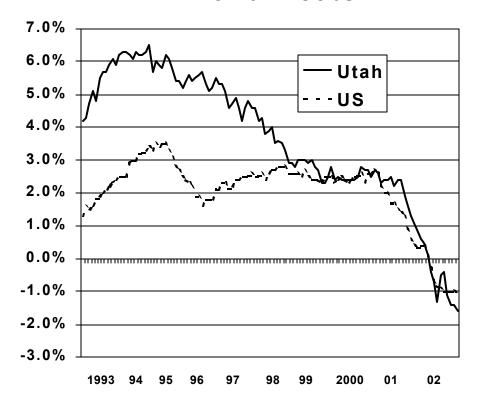
The Provo-Orem area is still showing a weaker economy than the Salt Lake-Ogden corridor, but it's year-over level of decline, at -2.0 percent, is moderating somewhat from the -2.7 seen just several months ago. We know that manufacturing has been hit hard with the closure of Geneva Steel, along with construction, trade, and services. The declines in the services sector appears to be moderating, and coupled with increased growth in the government sector, these pockets of strength are helping to stem the downward pressures.

Around Utah

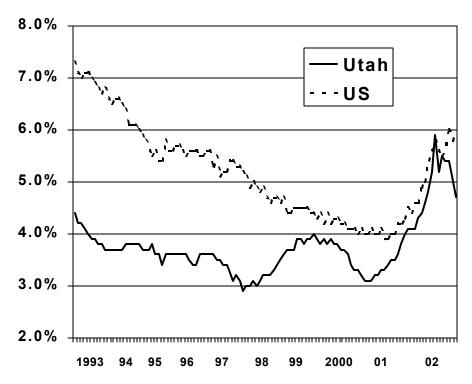
Looking outside the metropolitan corridor, it's largely another picture of weakness. The Uintah Basin's growth in the face of last year's energy price increases is now evaporating away. The energy and tourism-dependent southeastern portion of the state is slumping. Emery and Grand counties are losing jobs, while Carbon County is holding steady. Washington County props up the southwest region, but its growth is only a moderate 1.1 percent. In the north, both Box Elder and Cache counties are showing employment declines between 2 and 4 percent.

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Year-Over Percent Change in Nonfarm Jobs



Seasonally Adjusted Unemployment Rates

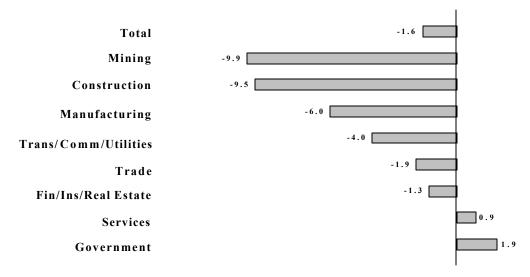


Utah Nonagricultural Jobs by Industry and Components of the Labor Force

Numbers are in thousands and are not seasonally adjusted.	June (p) 2002	June 2001	Percentage Change	May (r) 2002	May 2001	Percentage Change
CIVILIAN LABOR FORCE	1,154.3	1,126.6	2.5	1,138.3	1,104.6	3.1
Employed	1,091.2	1,072.6	1.7	1,080.2	1,058.9	2.0
Unemployed	63.0	54.0	16.7	58.1	45.7	27.1
Unemployment Rate	5.5	4.8		5.1	4.1	
NONAGRICULTURAL EMPLOYMENT	1,074.1	1,091.3	-1.6	1,069.9	1,084.7	-1.4
Mining	7.3	8.1	-9.9	7.5	8.0	-6.3
Metal Mining	1.8	2.2	-18.2	1.8	2.2	-18.2
Bituminous Coal Mining	1.4	1.5	-6.7	1.4	1.5	-6.7
Other Mining	4.1	4.4	-6.8	4.3	4.3	0.0
Construction	66.4	73.4	-9.5	64.2	70.4	-8.8
Manufacturing	119.4	127.0	-6.0	119.7	127.3	-6.0
Durable Goods	79.1	84.3	-6.2	79.5	84.6	-6.0
Primary Metals	4.2	5.6	-25.0	4.2	5.6	-25.0
Fabricated Metals, Machinery, & Computers	18.9	21.5	-12.1	18.9	21.5	-12.1
Electrical/Electric Equipment (ex. Computers)	8.0	8.6	-7.0	8.0	8.7	-8.0
Transportation Equipment	12.6 35.4	14.2 34.4	-11.3 2.9	12.9 35.5	14.3 34.5	-9.8
Other Durable Goods Non-durable Goods	40.3	34.4 42.7	-5.6	35.5 40.2	34.5 42.7	2.9 -5.9
Food & Kindred Products	12.6	12.7	-0.8	12.5	12.6	-0.8
Other Non-durable Goods	27.7	30.0	-7.7	27.7	30.1	-8.0
Transportation, Communication, & Utilities	58.3	60.7	-4.0	58.5	60.6	-3.5
Railroad Transportation	1.8	1.9	-5.3	1.8	1.9	-5.3
Trucking & Warehouse	19.4	20.7	-6.3	19.5	20.6	-5.3
Transportation by Air	15.2	14.9	2.0	15.2	15.0	1.3
Other Transportation & Related Services	5.1	5.3	-3.8	5.1	5.4	-5.6
Communications	10.0	11.0	-9.1	10.1	10.8	-6.5
Electricity, Gas, & Sanitary Services	6.8	6.9	-1.4	6.8	6.9	-1.4
Trade	247.5	252.4	-1.9	247.8	251.5	-1.5
Wholesale Trade	50.5	51.4	-1.8	50.4	51.3	-1.8
Retail Trade Food Stores	197.0 29.6	201.0 31.1	-2.0	197.4 29.6	200.2 31.2	-1.4 -5.1
Auto Dealers/Parts Stores, & Gas Stations	24.2	23.2	-4.8 4.3	29.6 24.4	22.9	-5.1 6.6
Eating & Drinking Places	66.9	67.0	-0.1	66.7	66.6	0.0
Home Furniture/Equipment & Clothing Stores	19.4	19.6	-1.0	19.4	19.4	0.0
Gen. Merchandise, Building & Garden Supply	31.8	34.5	-7.8	32.0	34.3	-6.7
Miscellaneous Retail	25.1	25.6	-2.0	25.3	25.8	-1.9
Finance, Insurance, & Real Estate	59.2	60.0	-1.3	59.4	59.5	-0.2
Depository Institutions	16.9	17.4	-2.9	16.9	17.3	-2.3
Other Finance, Insurance, & Real Estate	42.3	42.6	-0.7	42.5	42.2	0.7
Services	318.9	316.2	0.9	315.6	313.4	0.7
Hotels & Other Lodging Places	18.9	19.5	-3.1	18.4	18.9	-2.6
Personal, Entertainment & Recreational	39.5	34.2	15.5	37.7	32.8	14.9
Computer-Related Business Services	24.9	27.6	-9.8	25.2	28.5	-11.6
Other Business Services	57.8	58.3	-0.9	57.1	58.4	-2.2
Auto Repair/Rental/Parking Health Services	11.0 68.7	11.6 68.3	-5.2 0.6	11.1 68.8	11.4 67.9	-2.6 1.3
Education, Social, & Membership Organizations	54.4	53.3	2.1	54.3	52.7	3.0
Legal & Miscellaneous Services	6.6	6.3	4.8	6.3	6.2	1.6
Engineering, Accounting & Management	25.5	25.0	2.0	25.2	24.9	1.2
Other Repair, Ag. Services, & Museums	11.6	12.1	-4.1	11.5	11.7	-1.7
Government	197.1	193.5	1.9	197.2	194.0	1.6
Federal Government	35.7	34.8	2.6	34.4	34.1	0.9
U.S. Defense	14.4	13.9	3.6	14.2	13.7	3.6
Other Federal	21.3	20.9	1.9	20.2	20.4	-1.0
State Government	57.6	57.8	-0.3	59.1	58.9	0.3
State Schools	31.0	29.9	3.7	32.6	31.5	3.5
Other State	26.6	27.9	-4.7	26.5	27.4	-3.3
Local Government	103.8	100.9	2.9 1.5	103.7	101.0	2.7
Local Education Other Local	61.6 42.2	60.7 40.2	1.5 5.0	63.3 40.4	62.2 38.8	1.8 4.1
Private Sector	42.2 877.0	897.8	-2.3	872.7	890.7	-2.0
ato ocotoi	0.1.0	031.0	-2.3	012.1	030.7	-2.0

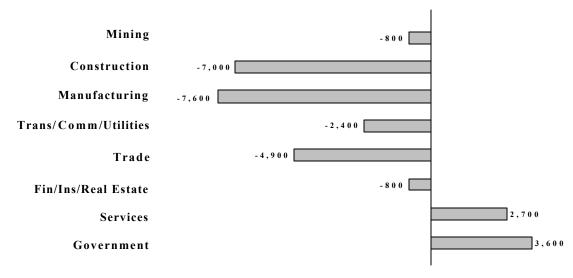
Source: Utah Department of Workforce Services, Workforce Information; 7/22/02. p= preliminary r= revised

Utah Nonfarm Job Growth (Percent Change) June 2001 - 2002



Source: Utah Department of Workforce Services

Utah Nonfarm Employment Changes June 2001 – 2002



Source: Utah Department of Workforce Services

NONAGRICULTURAL EMPLOYMENT BY INDUSTRY and COMPONENTS OF THE LABOR FORCE OF UTAH'S METROPOLITAN AREAS

Salt Lake City - Ogden MSA

Provo - Orem MSA

Numbers are in thousands,	Jun	е	Percent	May	April	June)	Percent	May	April
not seasonally adjusted.	2002(p)	2001	Change	2002(p)	2002(p)	2002(p)	2001	Change	2002(p)	2002(p)
Civilian Labor Force	736.7	717.8	2.6	726.9	722.2	176.1	171.7	2.6	172.4	175.5
Employed	696.3	683.5	1.9	689.8	685.4	166.8	164.5	1.4	163.6	166.2
Unemployed	40.5	34.3	18.1	37.2	36.7	9.3	7.2	29.2	8.8	9.3
Unemployment Rate	5.5	4.8		5.1	5.1	5.3	4.2		5.1	5.3
Total Nonagricultural Employment	716.4	725.8	-1.3	714.8	711.8	150.5	153.6	-2.0	148.6	151.4
Mining	2.3	2.7	-14.8	2.3	2.3	0.1	0.1	0.0	0.1	0.1
Construction	43.5	47.2	-7.8	42.4	41.1	10.7	10.9	-1.8	10.4	10.0
Manufacturing	76.4	80.2	-4.7	76.5	76.8	16.7	19.1	-12.6	16.8	16.8
Durable Goods	51.8	54.8	-5.5	51.9	52.1	9.4	11.3	-16.8	9.5	9.5
Non-durable Goods	24.6	25.4	-3.1	24.6	24.7	7.3	7.8	-6.4	7.3	7.3
Trans., Comm., & Utilities	54.7	47.8	14.4	45.8	45.7	2.5	2.7	-7.4	2.5	2.5
Trade	164.7	167.6	-1.7	164.9	163.2	33.1	33.9	-2.4	33.0	32.7
Wholesale Trade	39.5	40.4	-2.2	39.6	39.5	5.5	5.7	-3.5	5.4	5.4
Retail Trade	125.2	127.2	-1.6	125.3	123.7	27.6	28.2	-2.1	27.6	27.3
Finance, Insur., & Real Estate	49.0	49.2	-0.4	49.3	49.3	5.0	4.9	2.0	5.1	5.1
Services	208.9	207.9	0.5	207.9	208.2	59.9	60.4	-0.8	58.2	61.6
Government	125.9	123.2	2.2	125.7	125.2	22.5	21.6	4.2	22.5	22.6
Federal Government	28.8	27.7	4.0	28.1	27.9	1.2	1.2	0.0	1.1	1.0
State Government	40.1	39.1	2.6	41.0	41.4	5.4	5.1	5.9	5.4	5.8
Local Government	57.0	56.4	1.1	56.6	55.9	15.9	15.3	3.9	16.0	15.8
Private Sector	590.5	602.6	-2.0	589.1	586.6	128.0	132.0	-3.0	126.1	128.8

Notes: The Salt Lake City-Ogden Metropolitan Statistical Area (MSA) is comprised of Salt Lake, Davis, and Weber counties.

The Provo-Orem MSA is Utah County.

Source: Utah Department of Workforce Services, Workforce Information, 07/1/02.

HOURS AND EARNINGS - UTAH

Hours and Earnings for Production and Nonsupervisory Personnel

Average Hourly Earnings

Average Weekly Hours

Average Weekly Earnings

	June	е	%	<u>May</u>	June		%	May	Jur	ie	%	<u>May</u>
	2002(p)	2001	<u>Chg.</u>	2002(r)	2002(p)	2001	Chg.	2002(r)	2002(p)	2001	<u>Chg.</u>	2002(r)
Mining	\$15.59	\$18.67	-16.5	\$17.38	49.7	43.4	14.5	45.6	\$774.82	\$810.28	-4.4	\$792.53
Metal Mining	19.54	18.99	2.9	19.63	45.1	46.0	-2.0	45.5	881.25	873.54	0.9	893.17
Manufacturing	14.43	13.85	4.2	13.96	37.8	39.2	-3.6	37.5	545.45	542.92	0.5	523.50
Durable Goods	15.13	14.45	4.7	14.43	37.7	39.3	-4.1	37.6	570.40	567.89	0.4	542.57
Primary Metals	24.73	22.84	8.3	20.53	38.5	43.0	-10.5	44.1	952.11	982.12	-3.1	905.37
Fabricated Metal Prod. & Mach.	15.60	14.43	8.1	15.23	35.9	36.5	-1.6	35.9	560.04	526.70	6.3	546.76
Transportation Equipment	18.51	17.41	6.3	18.76	43.0	41.7	43.1	42.4	795.93	726.00	9.6	795.42
Nondurable Goods	12.90	12.53	3.0	12.90	38.0	39.2	-3.1	37.4	490.20	491.18	-0.2	482.46
Food and Kindred Products	12.55	12.14	3.4	12.65	37.6	41.0	-8.3	37.3	471.88	497.74	-5.2	471.85
Trade	11.62	11.01	5.5	11.38	30.1	30.4	-1.0	29.4	349.76	334.70	4.5	334.57
Wholesale	14.84	14.01	5.9	13.80	40.1	41.0	-2.2	39.4	595.08	574.41	3.6	543.72
Retail	10.54	10.00	5.4	10.58	27.8	28.0	-0.7	27.1	293.01	280.00	4.6	286.72
General Merchandise	10.33	9.92	4.1	10.97	30.6	29.5	3.7	30.0	316.10	292.64	8.0	329.10
Food Stores	10.98	11.10	-1.1	11.32	29.4	29.8	-1.3	29.4	322.81	330.78	-2.4	332.81

HOURS AND EARNINGS - Salt Lake City - Ogden MSA

Average Hourly Earnings

Average Weekly Hours

Average Weekly Earnings

	Jun	е	%	<u>May</u>	June		%	<u>May</u>	Jur	ne	%	<u>May</u>
	<u>2002(p)</u>	2001	<u>Chg.</u>	<u>2002(r)</u>	2002(p)	<u>2001</u>	<u>Chg.</u>	<u>2002(r)</u>	2002(p)	2001	Chg.	<u>2002(r)</u>
Mining	\$19.18	\$18.81	2.0	\$19.37	41.6	42.4	-1.9	41.9	\$797.89	\$797.54	0.0	\$811.60
Manufacturing	14.75	13.68	7.8	14.61	35.5	37.2	-4.6	34.9	523.63	508.90	2.9	509.89
Durable Goods	14.93	13.63	9.5	14.74	34.5	36.3	-5.0	34.0	515.09	494.77	4.1	501.16
Nondurable Goods	14.37	13.79	4.2	14.32	37.8	39.3	-3.8	37.2	543.19	541.95	0.2	532.70
Trade	11.90	11.51	3.4	11.56	30.6	30.7	-0.3	29.7	364.14	353.36	3.1	343.33
Wholesale	15.06	14.70	2.4	13.89	39.5	39.3	0.5	37.8	594.87	577.71	3.0	525.04
Retail	10.62	10.25	3.6	10.66	28.0	28.3	-1.1	27.5	297.36	290.08	2.5	293.15

Source: Utah Department of Workforce Services, Workforce Information.

NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	June 2002(p)	June 2001	Percent Change	May 2002(r)	April 2002(r)
State Total	1,074,100	1,091,660	-1.6	1,069,900	1,069,100
Bear River	59,551	61,697	-3.5	59,087	59,494
Box Elder	17,136	17,618	-2.7	17,345	17,247
Cache	41,682	43,358	-3.9	41,147	41,745
Rich	733	721	1.7	594	502
Wasatch Front	729,505	739,467	-1.3	727,977	724,838
North	179,504	179,215	0.2	177,966	176,498
Davis	90,962	89,788	1.3	89,327	87,531
Morgan	1,626	1,675	-2.9	1,653	1,604
Weber	86,917	87,752	-1.0	86,987	87,363
South	550,001	560,252	-1.8	550,011	548,341
Salt Lake	538,521	548,551	-1.8	538,486	536,906
Tooele	11,480	11,701	-1.9	11,525	11,435
Mountainland	169,775	172,924	-1.8	167,493	172,087
Summit	14,204	14,489	-2.0	13,922	15,925
Utah	150,500	153,514	-2.0	148,600	151,400
Wasatch	5,072	4,921	3.1	4,971	4,762
Central	21,741	22,458	-3.2	21,627	21,062
Juab	2,640	2,748	-3.9	2,653	2,556
Millard	3,603	3,597	0.2	3,603	3,533
Piute	260	305	-14.7	260	247
Sanpete	6,732	7,120	-5.5	6,784	6,571
Sevier	7,334	7,467	-1.8	7,195	7,086
Wayne	1,171	1,221	-4.1	1,131	1,069
Southwestern	57,418	57,874	-0.8	57,870	56,665
Beaver	1,956	1,957	0.0	1,935	1,891
Garfield	2,210	2,586	-14.5	2,097	1,882
Iron	13,598	13,597	0.0	14,107	14,033
Kane	2,785	3,268	-14.8	2,666	2,485
Washington	36,868	36,466	1.1	37,065	36,373
Uintah Basin	15,437	16,256	-5.0	15,018	14,634
Daggett	551	534	3.1	502	422
Duchesne	5,342	5,353	-0.2	5,237	5,085
Uintah	9,544	10,369	-8.0	9,279	9,127
Southeastern	20,673	20,984	-1.5	20,827	20,319
Carbon	8,580	8,542	0.4	8,735	8,718
Emery	3,348	3,567	-6.1	3,437	3,376
Grand	4,685	4,835	-3.1	4,545	4,234
San Juan	4,060	4,040	0.5	4,111	3,991
Salt Lake-Ogden MSA	716,400	726,091	-1.3	714,800	711,800

p = preliminary r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy. Source: Utah Department of Workforce Services, Workforce Information, 07/23/02.

Seasonally Adjusted Unemployment Rates

	June 2002 (p)	May 2002 (r)	April 2002(r)	June 2001(r)
State Total	4.7	5.1	5.4	4.1
Bear River	4.0	4.0	4.2	3.7
Box Elder	5.2	5.5	6.2	5.1
Cache	3.4	3.4	3.5	3.2
Rich	4.7	4.1	4.2	3.2
Wasatch Front	5.1	5.3	5.4	4.3
North	4.6	4.8	5.0	4.2
Davis	4.1	4.3	4.4	3.7
Morgan	3.5	4.4	4.1	3.0
Weber	5.3	5.5	5.8	4.9
South	5.3	5.5	5.6	4.3
Salt Lake	5.2	5.4	5.5	4.3
Tooele	8.3	8.5	9.0	7.3
Mountainland	5.0	5.3	5.6	3.8
Summit	7.6	7.6	8.3	5.4
Utah	4.7	5.0	5.3	3.6
Wasatch	6.5	6.5	7.1	4.9
Central	4.9	5.5	5.8	5.1
Juab	6.5	6.9	7.3	5.0
Millard	4.0	4.8	5.5	4.2
Piute	7.5 4.9	6.6 5.9	6.4 6.3	7.7 5.9
Sanpete Sevier	4.9 4.4	4.7	5.0	5.8 4.7
Wayne	4.9	5.3	4.5	4.8
Southwestern	3.9	4.0	4.3	4.0
Beaver	3.6	3.7	3.9	4.0
Garfield	12.6	11.9	12.1	8.9
Iron	4.0 3.0	4.3 2.9	5.0	4.6
Kane	3.4	3.6	4.1 3.7	2.9 3.5
Washington				
Uintah Basin	5.4	6.2	6.2	4.2
Daggett	3.3	4.1	4.4	4.0
Duchesne	5.9	6.6	6.9	5.2
Uintah	5.2	6.0	6.0	3.7
Southeastern	6.2	6.5	6.8	7.1
Carbon	5.4	5.9	6.0	5.7
Emery	7.2	7.4	7.4	9.6
Grand	6.0	6.0	6.3	6.5
San Juan	7.2	7.8	8.6	8.4
Salt Lake-Ogden MSA	5.0	5.2	5.4	4.3
United States	5.9	5.8	6.0	4.6

f=forecast p=preliminary r=revised

Source: Utah Department of Workforce Services, Workforce Information.



Utah Department of Workforce Services Economic Data Collection & Analysis 140 East 300 South, 1st Floor P.O. Box 45249 Salt Lake City, UT 84145-0249



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UTAH LABOR MARKET REPORT

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MISSION STATEMENT

The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of the employers, job seekers, and the community.

(f) - forecast (p) - preliminary (r) - revised Salt Lake - Ogden Metropolitan Statistical Area (MSA) -- Salt Lake, Davis, and Weber counties. Provo-Orem MSA -- Utah County